

annual report **2006/07**

Queensland Harness Racing Board



QUEENSLAND HARNESS RACING BOARD



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Vision

Working constructively with harness racing stakeholders to ensure that the sport is conducted with integrity, and that it provides exciting racing and maximised wagering, while achieving an increasing share of the entertainment market, resulting in greater industry profitability.

Purpose

To ensure a viable and commercially sound Queensland harness racing industry that presents racing of the highest quality.

Values

Professional and Ethical

We will at all times conduct ourselves in a professional and ethical manner among our stakeholders and ourselves.

Results-Orientated

We will ensure that our day-to-day activities are consistent with and contribute to achieving the overall business goals.

Teamwork

We are committed to working as a team to deliver the best solutions for our stakeholders, recognising and rewarding both team and individual contributions.

Customer Service

We strive to serve our customers with excellence.

Balance

We recognise that people are our main asset, so achieving a balance between professional and personal time will improve value in the organisation.

Goals

An optimal environment for the development and long-term growth of the harness racing industry.

A high performing control body, using sound management practices and delivering cost-effective and quality services

A high level of industry and public confidence in race safety and integrity.

CHAIRMAN'S REPORT



I am pleased to submit the Annual Report of the Queensland Harness Racing Board (the Board) for the 2006-07 financial year and advise that the Auditor-General has provided an unqualified report on the Board's financial statements for the year.

Among many positives in the last financial year, as a result of the Board's decision to consolidate its position, the Board has been able to:

- ▶ correct previous shortfalls;
- ▶ create a stable platform from which future initiatives and growth can be realized; and
- ▶ record a positive trading position for the year.

A feature of the first half of the year was the exceptional revenue stream provided by distributions under the Product Co Agreement. This result was principally due to the resolution of issues surrounding TVN which had adversely affected 2005 trading. The final quarter also provided very positive returns, albeit the gains achieved were less significant than the first half of the year.

CHAIRMAN'S REPORT

The wagering commissions paid by UNITAB in accordance with the Product Co Agreement must be acknowledged as they remain the Industry's principal source of income and are fundamental to the lifeblood of the sport. This revenue stream is essential to the sustainability of the Industry and the Board remains committed to presenting high-quality harness racing to maximise wagering opportunities on TAB betting in Queensland.

The Albion Park Raceway Management Committee continue to pursue the redevelopment of the Raceway to create a state of the art facility which will generate further income streams for the Industry. This process has advanced to the completion of a tender process and identification of a preferred provider for that redevelopment. The Board looks forward to the APRC making further progress with this initiative over the coming year.

An event subsequent to the reporting period for this report that cannot be ignored has been the outbreak of Equine Influenza (EI). EI has affected large parts of Australia, with a significant impact in Queensland. On 25 August 2007 the Federal Government issued a Standstill Order on the movement of all horses and racing was suspended to an unspecified date. As such, EI has already had, and is expected to continue to have, serious consequences for the Industry and it is important that continued support and assistance is provided to the Industry and its participants.

As is always the case in our Industry, the success of the Industry depends upon the contributions of not only the Board and its staff, but also the owners, breeders, licensees, club committees, venue management, catering and beverage providers, race day staff and the many sub-contractors and suppliers associated with the business of harness racing. The Board acknowledges the valuable input of those stakeholders.

In addition, the media support received by the Industry, in particular through Sky Channel, RadioTAB, Queensland Newspapers, the QHR magazine and the Industry's weekly items in National Trotguide and Harness Racing Weekly must be acknowledged. The Board extends particular gratitude to the management of our joint business partners in UNITAB, and Sky Channel for their support throughout the year.

I wish to acknowledge the contribution of my fellow Board Members, Warren Cummins, Kaylene Moore and Janice Dawson as well as the continued efforts of the Board's Executive Management team. The dedication of Andrew Kelly and his team during the year and particularly during the Equine Influenza crisis when hundreds of extra hours were put in, has been nothing short of magnificent.

Like all members and staff of the Board, I look forward to the return to racing and the year to come.

Bob Lette
CHAIRMAN

QUEENSLAND HARNESS RACING BOARD



Chairman
Bob Lette

Bob Lette is a partner of the law firm Mullins Lawyers. Since admission to the Supreme Court of Queensland in 1966 he has specialised in commercial property, corporate, hospitality, construction and industrial law. He is currently a director of the ASX listed companies Watpac Limited, Viking Industries Limited and Trinity Group Limited. Bob is Chairman of BUSS (Q), the building and construction industry superannuation fund and of The Private Capital Group. He is also a director of Queensland Airports Limited, Trinity Funds Management Limited and of several private companies. Bob has been a board member of TABQ and a Director and Chairman of Australian Pacing Gold and is also the Deputy Chairman of the AHRC.



Deputy Chairman
Warren Cummins

A former mounted policeman, detective and businessman; Warren Cummins has served as a Member of the Board on two occasions. His association with the industry includes Junior Vice President of the Royal National Association, as former President of the National Appaloosa Association and as a Committee Member of the Albion Park Harness Racing Club during the redevelopment of the COMPLEX IN 1983. Warren has held both a harness racing and thoroughbred racing trainers licence throughout his career. Warren now enjoys retirement.

BOARD MEETINGS		
	Number of Board Meetings Held	Number of Board Meetings Attended
Bob Lette	11	11
Warren Cummins	12	10
Kaylene Moore	12	10
Janice Dawson	12	10

QUEENSLAND HARNESS RACING BOARD



Board Member
Kaylene Moore

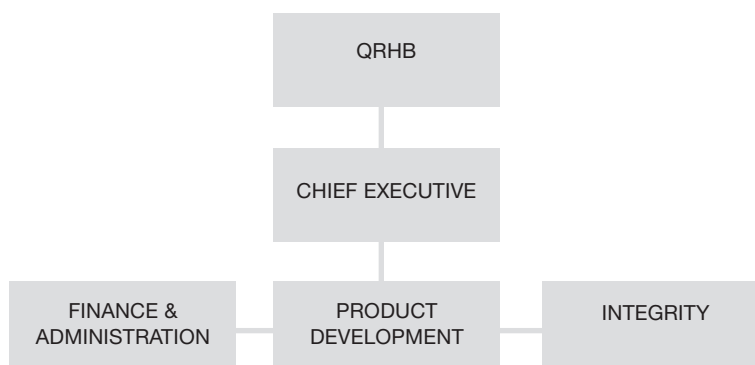
Kaylene has 24 years experience in State Government and held a number of senior positions over the last 15 years. She has extensive experience in and knowledge of corporate governance, financial management, change management, human resource management, strategic planning and Executive Government including Parliamentary, Cabinet and Executive Council processes. Kaylene has a post graduate certificate in management. In addition, she has extensive industry knowledge as her immediate and extended family has been involved in the industry for over 50 years. Kaylene is also a former licensee and owner.



Board Member
Janice Dawson

Janice Dawson was appointed to the QHRB in June 2006. She has lived and worked in Brisbane all her adult life. At the age of 23 she commenced the first meal delivery service in Brisbane called "Phone a Meal" based in Greenslopes at the "Spare Room Restaurant". Janice conducted this Business for 5 years before taking up her studies in accounting.

Janice has a background of some 31 years in accounting and at present runs her own practice as a Public Accountant & Registered Tax Agent in Robertson, Brisbane. Janice is part of the team dedicated to making harness racing the number one sport in Queensland.



QUEENSLAND HARNESS RACING BOARD



Chief Executive
Andrew Kelly

The Chief Executive has the overall responsibility of all operations of the Queensland Harness Racing Board in accordance with Board Policy. In addition, the Chief Executive leads his Executive team to provide strategy for both racing product and business management. The Chief Executive reports to and receives direction from the Queensland Harness Racing Board.



Product Development
Damian Raedler

The role of Manager Product Development encumbers a number of areas including the Racing Product, Industry regulations as well liaising with a number of harness racing organisations. The Manager Product Development is also responsible for Industry publications, media, major events, QBred and additional Industry statistics.

Queensland Harness Racing Board Contact Details

3 Amy Street ALBION QLD 4010 Telephone: 3624 8900 Email: vlaverty@qld.harness.org.au	PO Box 252 ALBION QLD 4010 Facsimile: 3262 7363 Website: www.harness.org.au/qld/qldindustry.htm	Monday to Friday 8:30am to 4:30pm
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QUEENSLAND HARNESS RACING BOARD



Integrity
Martin Knibbs

The Chairman of Stewards ensures the delivery of the Integrity and racing operations of the Harness Racing Industry throughout the state. The role includes the conduct of all race meetings and implementing the relevant rules, policies and procedures of the QHRB. The Chairman of Stewards represents the QHRB at National Stewards conferences.



Finance and Administration
Tracey Harris

Finance & Administration provides all the financial services to the Industry. This department is also responsible for the business analyst services, audit, corporate governance, Harness Racing aspect and turnover. The finance department administers the centralised payment system for stakemoney & percentage payments.

External Associates

Freehills Lawyers

Level 38 Brisbane Central Plaza 1,
345 Queen St

BRISBANE QLD 4000

Telephone: 3258 6666

Auditor-General in Queensland

Level 11 Central Plaza One

345 Queen Street

BRISBANE QLD 4000

Telephone: 3405 1100

Westpac Banking Corporation

81-85 Racecourse Road

HAMILTON QLD 4007

Telephone: 13 2032

CHIEF EXECUTIVE'S REPORT

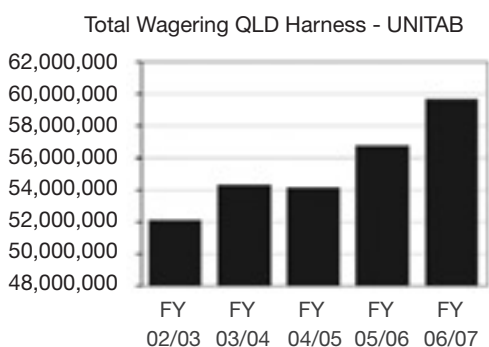
The last year has been a challenging, but successful, one for the Board and the industry as a whole.

I am proud to report that, as a result of a range of factors and initiatives of the Board, the Board achieved an operating profit of \$934,628 for the year (before consolidation of the Albion Park Joint Venture). This is a \$1,867,650 improvement on the previous period and has contributed toward the re-building of the balance sheet.

This has been a significant improvement from the previous reporting period and principally can be attributed to:

- ▮ An increase of 6.7% in total wagering commission provided by UNITAB
- ▮ Improved internal efficiencies and business practices
- ▮ An increase in the number of registered licenses granted
- ▮ An increase to the average annual number of starts per driver
- ▮ An increase of participation in the QBred initiative

There has also been positive harness wagering growth in the period, with the total wagering turnover on Queensland harness racing by Queenslanders via the UNITAB network increasing significantly on the previous year to almost \$60,000,000.

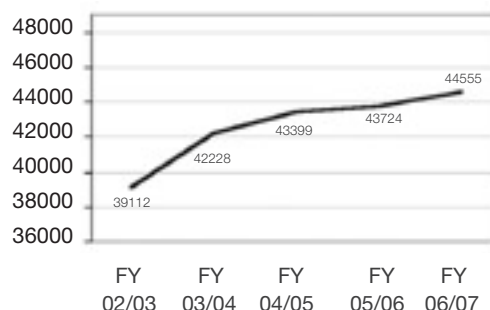


Further, through close monitoring and control of Board overheads, the Board has also been able increase funds available to the Industry, particularly in terms of prizemoney and investment in Clubs.

Prizemoney

On average, prizemoney paid by the Board per TAB meeting has also increased significantly from the previous year and now amounts to some \$44,555 per meeting. This equates to average prizemoney of over \$5,000 per TAB race

Average Prizemoney per TAB Meeting



Moreover, as a result of the efforts of the Board (in conjunction with the Australian Harness Racing Council), the standard and level of insurance coverage provided to drivers and trainers has improved considerably.

This has enabled the Board to maintain the existing license fees for 2007/2008 while at the same time adopting a 'no charge' position in relation to foal notifications for 2006/07.

In addition to achieving a strong, positive fiscal performance, the Board has implemented the following investment initiatives:

Investment in Clubs

One area of note in terms of the Board's performance over the past year is the Board's increased investment in Clubs.

In excess of \$1,700,000 has been paid to Clubs this year, including almost \$900,000 in tote incentives and more than \$800,000 in payments to fund Club administration via meeting fees (up by 15.8%) and grants (up by 8.5%).

The Board has also taken the positive step of entering into a management agreement with the Gold Coast Harness Racing Club, under which the Board provides a race day manager and undertakes the GCHRC's management functions. This Board initiative has freed the GCHRC of operational and financial management issues and enabled the GCHRC committee to focus on the future of the club.

Investment in QBred

There has also been a substantial increase in QBred investment. The second year of the double bonus QBred initiative has seen the inclusion of the three year old double bonus entitlement in 2006, with four year olds to be included in the 2007/2008 year. The Scheme, now two-thirds complete, has been reviewed and discussions have taken place with key stakeholders. The Board expects to refine the Scheme from 2008/09 to ensure both ongoing affordability and attractiveness well into the future

CHIEF EXECUTIVE'S REPORT

Corporatisation

Under the Racing Act 2002 (Qld), a corporation established under the Corporations Act 2001 (Cth) must be granted a control body approval for the harness code of racing by 30 June 2008.

The Board is on track to meet that requirement and has conducted 8 positive forums in a consultation process involving clubs, industry groups, industry participants and employees to determine the impact of corporatisation on the activities of the Board.

These forums have provided the Board with vital input from industry players and place the Board in a better position to consider a future as a corporate entity.

Equine Influenza

The Equine Influenza and its impact on the Industry will have to be closely monitored and managed to ensure continued sustainability of racing and breeding in the State.

I wish to acknowledge the efforts of industry participants and all the Board's staff in dealing with the outbreak of Equine Influenza and the myriad of challenges that it has created, and is likely to continue to create, for the Industry.

Racing Product

The Board also instituted a number of important changes during the year in so far as the harness racing product is presented. These initiatives are designed to stimulate wagering activity due to presenting a competitive and attractive product to both viewer and punting public and balancing animal welfare considerations.

The 2006/2007 period also saw the introduction of an Appeals Committee. This committee provides an avenue of appeal in relation to some Stewarding decisions and provides a transparent review system for Industry participants in an expeditious manner.

A closer relationship with Industry stakeholders was also developed throughout the year. Meetings and communication with BOTRA and Racing Clubs were more regular and structured, while a Product and Programming Advisory Committee was also established to both share information and bring the many views the industry to the Board's attention.

In closing I would like thank the many people who have contributed to the successful year. Led by Mr. Bob Lette, the Board has been extremely hard working and diligent in their approach to all issues. QHRB Management, staff and contractors have also shown an extraordinary commitment to the industry.

In addition, the determination and support of Club Chairmen, Committee members, Chief Executives, staff and sponsors has also been an important factor in the results that have been achieved.

The Minister for Racing, The Hon. Andrew Fraser and his staff, including all at the Office of Racing and the Racing Science Centre, continue to provide valuable guidance and resource.

QHRB's major business partners in UNITAB and SKY Channel remain vital to the success of the racing industry and their contribution requires both acknowledgement and thanks.

Finally, to each and every harness racing participant thank you. The Queensland harness racing industry has endured a particularly challenging period in recent times. Many of these challenges remain and it will take commitment from all involved to meet these challenges and continue to grow. I'm confident of success.

Andrew Kelly

Chief Executive

PRODUCT DEVELOPMENT

What a year it has been for the Queensland harness racing product that has again been in the Australasian harness racing spotlight through the deeds of a number of local standardbreds at the highest level in this arena. The duel Inter Dominion Champion Blacks A Fake (\$1.98million) heads a list of the who's who of harness racing including the current Grand Circuit Champion and New Zealand Horse of the Year Flashing Red (\$1.57million), dual Miracle Mile winner Be Good Johnny (\$1.22million), Slipnslide (\$1.06million), Fleur De Lil, Tip Your Hat, All Promises, Arkamigo, Misty Plains, Armida, Don't Fall For Me and Left To Luck.

One of the foremost commitments of the Queensland Harness Racing Board (QHRB) to the Industry since its appointment in August 2006 has been to grow the wagering turnover on the domestic harness racing product on the Queensland TAB to ensure that the industry remains sustainable into the future.

The test has been to develop the wagering turnover to ensure that the industry achieves its market-share in order to safeguard its distribution in accordance with the present Product and Program Agreement with UNITAB through Product Co that comes up for renewal in 2014.

To this end Product Development has undertaken regular dialogue with the industry through the Product Development & Programming Sub-Committee that comprises a wide variance of high profile industry personnel that meet on a quarterly basis to discuss a myriad matters relating to the industry and in particular the racing product that has gone a long way to fine tuning the presentation of the product to the wagering public on UNITAB.

Additionally, Product Development has regular communication with the TAB and non-TAB Race Clubs and the industry associations namely, BOTRA and the QSTA on matters of common concern.

Product Development is also the intermediary for an ordered channel of communication with agencies such as Product Co, UNITAB, Sky Channel, RadioTAB and the print media in the pursuit of the Board's commitment to its vision of the Industry's sustainability into the future.

The core responsibilities of the department are those of racing, handicapping, programming, registration, futurities, electronic and print communications, industry based marketing and liaison with and support of the registered harness racing clubs.

It is satisfying to document that at 30 June 2007 the wagering turnover on the local harness racing product on the Queensland TAB had increased considerably when compared to the previous financial year.

Some of the product development initiatives achieved during the year that were undertaken in consultation with the industry were as follows:

- Acceptance by Facsimile became a reality from January 2007 where all acceptances received by the QHRB where no longer received by telephone but by facsimile or HarnessWeb. This form of acceptance is now the accepted mode of nominating for a particular race and has certainly streamlined the way the Racing Office processes race fields
- Access to viewing of acceptances at the request of BOTRA is currently in a trial period of three months
- Automatic Field Selection System where from January 2007 no points are allocated for qualifying trials to make for a more consistent appraisal of a horses form under this reviewed points system
- Claiming races were reviewed and after a trial period of amended claiming prices, it was decided to revert to the original claiming levels
- Fast Class races at Albion Park were reviewed and after a trial period of amended Fast Class events, it was decided to revert to the original Fast Class programming
- The Preferential Seeded Barrier Draw was modified from January 2007 to ensure that the highest credentialed horses in a field are handicapped appropriately
- From January 2007, programming of race distances were to reflect an even split of 1609 metre or equivalent distance to those 2000 metre and beyond that is in accordance with the national product paper
- Unique Colours were approved for use by the QHRB from January 2007 where trainers with multiple runners in a race do not have a second or third set of stable colours
- To ensure more truly run races, Sectional Times were reviewed and tightened for a trial period that commenced from July 2007.

PRODUCT DEVELOPMENT

It would be remiss not to thank the local harness racing media of David Fowler, Chris Barsby, Marshall Dobson and Gary Keep for their respective contributions to the harness racing year.

Sponsors of the QHRB throughout the year namely, Daily Form Guide (Warren Block), Bolack Publications (Paul Bolack) and Australian Standardbred Consultancy (Marshall Dobson) are to be thanked profusely for their respective support.

In closing, it is appropriate to congratulate the Chairman's International Study Scholarship recipient Chris Barsby on the completion of his very successful study tour of North America where he observed all aspects of harness racing at race tracks, stables, studs, media outlets and the like in the United States of America and Canada. The highlight of the trip was to call a race and appear on the Big M television show at the Meadowlands in New Jersey on Woodrow Wilson night and the next day, attend the time honored Hambletonian meeting.

Damian Raedler

Manager Product Development

Honour Roll 2005-06 Awarded During 2006-07

As the racing season of 1st September 2005 to 31 August 2006 overlaps the financial year, awards for any given season are not reported on until the following financial year.

ALBION PARK

Trainer of the Year	John McCarthy
Horse of the Year	Tip Your Hat
Driver of the Year	Luke McCarthy

GOLD COAST

Trainer of the Year	Bill Dixon
Horse of the Year	The Rusty Pelican NZ
Driver of the Year	Grant Dixon

REDCLIFFE

Trainer of the Year	Julie Weidemann
Horse of the Year	Perfect Gale
Driver of the Year	Grant Dixon

ROCKLEA

Trainer of the Year	Julie Weidemann
Horse of the Year	Freckles
Driver of the Year	Lola Weidemann

ROCKHAMPTON

Trainer of the Year	Peter Jones
Horse of the Year	Demolition George
Driver of the Year	Leigh Bass/Peter Jones

MACKAY

Trainer of the Year	Ross Manzelmann
Horse of the Year	Maltese Miss
Driver of the Year	Ross Manzelmann

The following harness racing industry participants were honoured for the 2005-06 season at the Queensland Harness Racing Awards Dinner on 22 October 2006.

QUEENSLAND HARNESS RACING BOARD AWARDS

Queensland Horse of the Year	Be Good Johnny
North Queensland Horse of the Year	Maltese Miss
Equine Achiever of the Year	Blacks A Fake
Achiever of the Year	Natalie Rasmussen
Trainer of the Year	Bill Dixon
Driver of the Year	Grant Dixon
Chairman's International Study Scholarship	Chris Barsby
Media Excellence	David Fowler
Journalistic Award	Raymond Lowndes

PRODUCT DEVELOPMENT

QBRED

The breeding incentive scheme for Queensland

QBred Finals Honour Roll	
2YO Filly	Don't Fall For Me
2YO Colt/Gelding	Tipsy Tollgater
3YO Filly	Fleur De Lil
3YO Colt/Gelding	Be Diligent
4YO Mare	Aldebaran
4YO Entire/Gelding	Tip Your Hat

QBred is the breeding incentive scheme for Queensland's harness racing industry.

In the 2006 2007 season over \$750,000 was paid out in feature prize money for the QBred finals conducted at the Albion Park track and the QBred Breeders Classic finals ran at the Gold Coast track.

Additionally race-winning bonuses for QBred eligible horses reached an all time high amount during 2006 2007 season with \$1,368,750 being paid out.

The 2006 2007 season saw Queensland establish dominance over the other states and New Zealand on the Grand Circuit, the pinnacle of Harness Racing in the Southern Hemisphere.

We truly are in the midst of the golden period in the history of Queensland Harness Racing, with the front line of champions being QBred horses.

Blacks A Fake still ranked as the best horse in the Southern Hemisphere, winning his second consecutive Inter Dominion Pacers Grand Final the ultimate test of the Standardbred's speed, endurance and courage.

Be Good Johnny won his second consecutive Miracle Mile raced at the famous Harold Park circuit in Sydney. This race is the benchmark for the sprinting Standardbred in Australia and New Zealand.

Miss Galvinator exported to race in the United States of America became the fastest Australian bred mare of all time winning a race in 1:50.6. Her half sister Fleur De Lil won \$342,907 during the course of the season and established as one of the great 3YO fillies of recent times.

The QBred scheme caters for all classes of horse and is the envy of other state harness racing jurisdictions. When a horse is QBred its pay day every race day.

QBred Breeders Classic Final Honor Roll	
2YO Filly	Don't Fall For Me
2YO Colt/Gelding	Misty Plains
3YO Filly	Fleur De Lil
3YO Colt/Gelding	Be Diligent
4YO Mare	Aldebaran
4YO Entire/Gelding	Tip Your Hat

MAJOR PERFORMANCES

Blacks A Fake

Fake Left USA – Colada Hanover

Blacks A Fake who made a spectacular move through the grades from C4 in October of 2005 for trainer/driver Natalie Rasmussen to be acclaimed as one of the greatest southern hemisphere standardbreds to look through a bridle with his second Inter Dominion Pacing Championship win in Adelaide earlier this year.

During the season he had 14 starts for 10 wins and 3 placings to take his lifetime tally to 33 wins and 8 placings from only 44 race starts and mammoth \$1,982,206 in lifetime earnings.

He finished the season off strongly at home with the Albion Park Winter Carnival double of the \$30,000 Sunshine Sprint over the 1660 metres with a mile rate of 1:54.7 and the \$75,000 Winter Cup over the 2680 metres recording a mile rate of 1:57.7.

PRODUCT DEVELOPMENT

Flashing Red

Echelon USA – Courvy Kazi

The millionaire warhorse of harness racing 'down under' Flashing Red took all before him under the care of Canterbury NZ mentor Tim Butt and driven by his high profile driver brother Anthony on his way to victory in the prestigious NZ Cup conducted at the Addington Raceway in Christchurch on the second Tuesday in November. During this campaign he won three lead up races in the south island of NZ.

Later in the season he returned to the care of the Butt brothers to be prepared for an assault on the rich Auckland Cup which he added to his tally for the season. It is unheard of for an Aussie to go to the 'Shaky Isles' and win two of harness racing's rich plums.

Owned in Queensland by companies owned by international horseman Stuart Hunter and Gold Coast businessman Norm Jenkin the son of Echelon from 25 starts won 6 and was placed on 10 occasions for a lifetime record of 37 wins and 55 placing from 165 starts for lifetime dollars of \$1,568,153.

Be Good Johnny

Fake Left USA – Fleetwood Mandy

Be Good Johnny trained and driven by master reinsman John McCarthy made it two Miracle Miles on the trot when he accounted for Blacks A Fake and Smooth Cruza in mile rate of 1:54.3 for the 1760 metre journey on the last Friday in November at the Harold Park in Sydney.

It was a long time between drinks for Queensland where the last and only local winner of the Miracle Mile was thirty odd years ago when the Merv Wanless trained and Vic Frost driven Lucky Creed saluted prior to the Be Good Johnny's double.

The son of the all conquering Fake Left USA finished the season off with a feature win at Albion Park in late May and was the bridesmaid to Blacks A Fake in the Sunshine Sprint and Winter Cup to finish off the season.

He had 13 starts for the season with 5 wins and 5 placings with his lifetime record now at 29 wins and 12 placings from 48 starts and lifetime earnings of \$1,215,262.

Slipnslide

Perfect Art USA – Vanturk NZ

Slipnslide started the season with a bang winning the \$100,000 Queensland Pacing Championship at Albion Park beating Rollercoaster Road and Be Good Johnny pacing his last half of the 2138 metre journey in 56:00 and the last quarter in a slick 27.3.

The millionaire son of the now defunct Perfect Ark USA trained and driven by Luke McCarthy won 4 races from 8 starts for the season with his lifetime record at 32 wins and 11 placings from 54 starts and \$1,058,620. Slipnslide has been on the sideline through injury during the season but did return to the racetrack at Albion Park in late July to account for Atomic Ark and Bulletproof.

Fleur De Lil

Armbro Operative USA – French Flair NZ

The impeccably bred filly took all before her in her three-year-old year winning the \$35,000 QBred Breeder's Classic Final and the \$85,000 QBred Final at Albion Park before she traveled to Perth for the WA Oaks which she won and earned herself \$83,750 in stake money. Next she was successful in the \$20,000 Gold Coast Oaks beating the smart New Zealander The Spurs a Flyin from there it was the Australasian Breeder's Crown where she won a qualifier and the Three-Year-Old Final and \$104,160 in stakes.

The Luke McCarthy trained and driven filly was not out of the money recording 13 wins and 3 placings from 16 starts for the season. She now has lifetime figures of 21 wins and 3 placings from 27 starts and earnings of \$522,908.

Tip Your Hat

Village Jasper USA – Gammolot

Top juvenile Tip Your Hat continued on his winning way as a four-year-old winning 7 and placing on 2 occasions from 10 starts for the season and lifetime wins of 31 and 9 placings from 42 lifetime starts and earnings of \$451,321.

The Judge Ian Wylie owned son of Village Jasper USA finished the season off with impressive wins in the \$30,000 QBred Breeder's Classic Final at the Gold Coast and the \$75,000 QBred Final at Albion Park for the four-year-olds.

PRODUCT DEVELOPMENT

All Promises

Albert Albert USA – As Promised

The Shannon Price trained mare recorded another great season with 8 wins and 3 placings from 14 starts to bring her lifetime record to 15 wins and 5 placings from 25 starts and earnings of \$206,129.

The daughter of Albert Albert USA won the \$30,000 4 & 5 Year-Old Championship at Albion Park in mid July to cap off another exciting season.

Arkamigo

Armbro Operative USA – Ark Maree

The father and son combination of Bill and Grant Dixon recorded a sterling victory with Arkamigo to win the \$75,000 Queensland Derby beating Lombo Pocket watch and Be Diligent in the time honored classic for the three-year-olds in mid July.

Arkamigo was a model of consistency with 6 wins and 7 placings from only 14 starts for the season to give him lifetime figures of 9 wins and 10 placings from 26 starts and earnings of \$167,778.

Misty Plains

Ultimate Falcon USA – Miss Teak

The Clifton trained gelding had a great season with 11 wins and 3 placings from 15 starts and earnings of \$133,618 with wins in the \$100,000 Seymour Nursery Pace Final for the two-year-old colts & geldings and a win in the \$35,000 QBred Breeder's Classic Final at the Gold Coast for trainer/driver sisters Julie and Lola Weidemann.

Armida

Safely Kept USA – La Speranza

The Graham Seymour trained filly recorded a sterling victory for the La Spina family in the final of the Bathurst Gold Tiara earning \$50,000 for connections. She also won two heats and ran third in the final of the Australian Pacing Gold series for two-year-old fillies at Albion Park in late April and early May.

She had 17 starts for the season with 6 wins and 8 placings for lifetime earnings of \$142,625.

Dont Fall For Me

Speed King – Superior Reign NZ

The Leigh Smart trained filly took out the Queensland bred double of the \$35,000 QBred Breeder's Classic Final at the Gold Coast and the \$85,000 QBred Final at

Albion Park for the two-year-old fillies. In the long time that Leigh Smart has been a trainer this double were the first feature races he has won in his career.

Additionally, in her first race start she set a record time for a two-year-old filly at the Albion Park 5/8th of a mile circuit stopping the clock at 1:55.9, last half in 57:8, last quarter in 29.1.

The daughter of Speed King one of the foundation sires of Queensland standardbred breeding is raced by Annette Geiger the wife of the late John Geiger who was so involved with Speed King in the early days of sire's stakes racing.

She won 7 and placed on 1 occasion from 9 starts for the season with earnings of \$86,353.

Left To Luck

Partywiththebigdog USA – Rosie Maree

Trained in thoroughbred territory at Hendra by astute mentor Bob Morley the son of Partywiththebigdog ventured to Bulli on the south coast of New South Wales to contest the Linden Huntley Memorial series and was successful in the \$50,000 Colts & Geldings Final driven by top NSW reinsman Greg Bennett.

Left To Luck finished the season with 3 wins and 9 placings from 18 starts for earnings of \$52,770.



CLUBS

Albion Park Harness Racing Club

The 2006-07 season a new era in harness racing in Queensland. Champion horses such as Blacks A Fake (dual Inter Dominion winner), Be Good Johnny (dual Miracle Mile winner), Flashing Red (Grand Circuit Champion), Slipnslide, Cobbity Classic, Tip Your Hat and many more have called Albion Park their home and provided exceptional racing during the year.

The Albion Park Harness Racing Club has been able to work constructively with the QHRB headed by Chairman Bob Lette and ably assisted by Deputy Chairman Warren Cummins, Committee Kaylene Moore, Janice Dawson and new CEO Andrew Kelly. We look forward to working with the Board on the corporatisation of our industry in Queensland.

The Albion Park Harness Racing Club is pleased to report a record operating profit for the financial year 2006-07. We are positioning our club to take advantage of any opportunities which may arise out of corporatisation and the pending redevelopment of the Albion Park Complex.

The club was again delighted to facilitate the 2007 Big Gig Charity Weekend on 26/27 May hosted by Kevin and Kay Seymour. We saw record attendances (45,000) over the two days and \$500,000 raised for 25 charities. We thank Kevin and Kay, the Seymour Group Staff, Brisbane City Council, ANZ, QHRB, Translink, Network 10 and the copious amount of sponsors which made this weekend such a success.

Albion Park takes this opportunity to thank our many Saturday night sponsors who support racing at headquarters and we look forward to your participation into the future.

Chairman Dave Knudsen would like to particularly thank his fellow Committeemen for their stewardship in guiding the club to another successful year.

ROBERT PEARSON
CHIEF EXECUTIVE OFFICER

Gold Coast Harness Racing Club

The 2006-07 financial year has been a difficult one for the Gold Coast Harness Racing Club, but I'm confident history will reflect that this is 'a year we had to have' on so many different levels.

Financially and administratively, the Committee have undertaken enormous steps, particularly over the second part of the financial period, to improve the position of the Club – however, this does not happen overnight and the trading position of the Club, as unpalatable as it may seem, has actually brought us to a baseline that can be rebounded from.

The Committee have taken steps to set a solid foundation for future growth with numerous new measures, administrative structures and reporting processes having been implemented in all areas of the business to both protect and grow the Club from this point forward.

From a trading perspective the full statutory accounts highlight a marginal loss to 30 June, however this is partly explained by an increase in depreciation due to asset revaluation (as ordered by auditors in 2006).

There is no one particular area of the Club that should carry weight of this financial position, as it is a combination of factors which have brought us to this point. Having identified them and taken corrective measures, I am confident of a bright future – led by a focus on improved revenues from sponsorship, group bookings and events.

In racing terms, harness racing annals will record the 2007 racing season as a stellar one for the Gold Coast Club - and one that would sit proudly with any Club in the nation.

This year's honour board of feature races reads as follows:

Gold Coast Bulletin Cup:

Be Good Johnny, trained and driven by John McCarthy

Southport Workers Community Club Premiers Cup:

Very Cool NZ, driven by Scott Kunde trained by Ken Rattray

Havenstone Pavers Gold Coast Oaks:

Fleur De Lil, trained and driven by Luke McCarthy

Bryant's Equine Therapies Gold Coast Derby:

Be Diligent, driven by Scott Kunde, trained by Catriona Martin

2yo Fillies QBred Breeders Classic Final:

Don't Fall For Me, trained and driven by Leigh Smart

CLUBS

Gold Coast Harness Racing Club (continued)

2yo Colts QBred Breeders Classic Final:

Misty Plains, trained by Julie and driven by Lola Weidemann

3yo Fillies QBred Breeders Classic Final:

Fleur De Lil, trained and driven by Luke McCarthy

3yo Colts QBred Breeders Classic Final:

Arkamigo, driven by Grant and trained by Bill Dixon

4yo Mares QBred Breeders Classic Final:

Aldebaran, trained and driven by Neil Day

4yo E's & G's QBred Final:

Tip Your Hat, driven by Luke McCarthy and trained by Catriona Martin

ALAN BOYD

PRESIDENT

Redcliffe Peninsula Harness Racing & Sporting Club Inc.

The 2006/07 year proved to be a very difficult year financially for the club. Funding cut backs by the QHRB made it impossible for the club to operate and return a profit for the period. Betting turnover was up considerably and the commission derived from this together with income from the Sky Channel international rights agreements was not quite enough to offset the cut backs and a small manageable loss was recorded.

New committee members Rod Hinze and Bernie Ring were installed as replacements for club stalwart Fred Curley who passed away during the year.

Towards the end of the fiscal year negotiations were successfully concluded with sponsors:-

- Nevele R Stud
- Elgas
- Marco Constructions
- BASF Chemicals

The financial impact of these arrangements will boost income in the 2007/2008 financial year.

The proposed track upgrade set down for May was deferred to October 2007. Bitumen to stable areas has made a safer environment for horses. Major repairs to track lighting were completed during this period. The track infield has been filled and levelled at no cost to the club.

This year saw the inaugural running of the Patrons Purse, the richest open 4YO race in Queensland this season.

The status of the event was made possible by the generosity of club patron C.J Garrard. For the record, the event was won by Kevin & Kay Seymour's Good Looking Girl. Other signature races included; the time honoured Redcliffe City Gold Cup, Redcliffe Derby, Redcliffe Oaks and Christmas Cup. All of these events were well patronised by spectators and competitors alike.

The club was delighted when QHRB announced that Redcliffe would race on a total of 13 Friday nights, which is an increase of 10 race meetings. The news was soured somewhat when Sky Channel decided not to supply coverage of 5 of these meetings.

A club rewards programme was announced by the QHRB to take effect 1st July 2007. This is a welcome incentive scheme and Redcliffe club will be working hard to achieve maximum returns.

During the later half of the year QHRB offered a management agreement to the club. This was rejected by the committee.

In May 2007 the club conducted its first ever race meeting away from home soil. This was during the annual Maryborough Show where a total of 6 races were conducted. Another innovative project was announced in June 2007 wherein the club will conduct a yearling sale and associated futurity race series.

The club feels that the worst is now behind us and looks forward to working with a proactive board to ensure the well being of Harness Racing on the Peninsula.

KERRY EBERT
CHAIRMAN

CLUBS



Gold Coast Harness Racing Club Track



Gold Coast Harness Racing Club Grandstand

CLUBS

Marburg Pacing Association Inc.

Strong leadership qualities by club President Mr Russell Lehman have seen the Marburg pacing Association Inc. through an extremely busy year. Russell is backed by a band of truly dedicated volunteers and a strong and reliable management team.

Our main objective for 2007 was to hold a restricted race meeting with the added bonus of bookmakers fielding on the day. Easter Sunday Race Day is firmly entrenched on the racing calendar with regular racegoers travelling long distances to attend this annual event. Sponsorship money was at an all time high with businesses and general public putting their money behind this massive venture.

Easter Sunday was an outstanding success financially and also with record numbers of horses nominated. Bookmakers enhanced the day's success and proved to be very popular with regular weekly punters and also the \$2 first time punters. Free children's entertainment and the ever popular Easter bunny were also a great attraction for the day.

The Marburg Pacing Association Inc. has secured a three year sponsorship deal with the Ipswich City Council. This deal will see increased prizemoney for the Ipswich City Gold Cup.

Water restrictions are a major priority right at the moment. The Marburg Pacing Association Inc. has forwarded a water saving plan to the Ipswich City Council with level 5 restrictions.

Our future looks bright and prosperous, increased numbers of horses attending weekly trials is always encouraging. We would like to thank all trainers, drivers, owners, members and the general community who support our organisation. To the Queensland Harness Racing Board, for your generous sponsorship and your excellent support throughout the years, we thank you.

MARBURG COMMITTEE



Marburg Grandstand 8th April 2007

CLUBS

Rockhampton Harness Racing Club

The Rockhampton Harness Racing Club has finished racing after a disappointing year as the QHRB decided not to allocate race dates to the only two country non-TAB clubs for the next racing year.

On this decision being conveyed to the club, it was decided to increase prizemoney for all races to the end of the racing season. It was also decided to run the Patlaw Rockhampton Cup for \$8000 and the Farewell Cup for \$5000 on the last racing day, 18 August. With this increase in prizemoney, the horse fields swelled and on the final day, 8 races with capacity fields graced the race track. It just goes to show if prizemoney and race dates were not reduced by the QHRB, then racing may still be viable in this city.

The final race meeting on 18 August was a big success with about 1200 people in attendance. Two members of the QHRB, Janice Dawson and Warren Cummins, as well as CEO Andrew Kelly and Board Accountant Tracey Harris were also in attendance.

This final meeting was a day to remember with our MC for the day Tony McMahon interviewing each winning driver after each win. From the tone in the driver's voices, it was an emotional achievement to win a race in Rockhampton on its final race meeting. Some licencees raced at the first meeting on 18 May 1974 and raced a horse on the final meeting 33 years later.

It is hoped that the QHRB will allocate race dates to this club in the future.

MEL SLADE
PRESIDENT

Rocklea

2006/2007 was a period of rebuilding the clubs services, a time for consolidation and improved financial returns with a view to returning profits towards owners and trainers by way of additional races with prize money paid for from the club's own resources.

Profit of \$22,000 was realized after spending in excess of \$66,000 on prize money and \$30,000 spent on upgrading and or replacing old equipment as well as some landscaping work.

The club was pleased to work closely with the Marburg Club and spend some of its funds assisting with the Easter Festival of Racing which resulted in bookmakers operating on course and Sky Channel for the punters. Both Rocklea and Marburg were proud of their achievement.

Agreement was reached to promote some inter club racing with Redcliffe and to work more closely with the Albion Park Club.

With cooperation from the QHRB and a grant towards much needed repairs, the club achieved all of its aims and looks forward to a successful 2007/2008 financial year.

PAUL BOLACK
PRESIDENT

INTEGRITY

Integrity Report

It is with pleasure that I submit a report on behalf of the Integrity Department for the 2006/07 financial year. The Integrity Department has remained committed to implementing the Board's policies, and a transparent application of the Rules through expeditious action when required, and timely reporting of such matters.

The past year saw a significant number of changes in policies and procedures within the industry. As mentioned in last year's annual report, the Integrity Department was able to implement guidelines on a number of issues that had previously caused consternation with various stakeholders within the Queensland Harness Racing Industry.

The Integrity Department endeavoured, wherever possible, to approach decisions with a more uniform, consistent and transparent application of their duties, to racing matters, both on and off, the track. A great number of policies and Rules adopted were done so following consultation with industry groups and stakeholders directly. The changes were proposed with a view to displaying harness racing as a product that is more competitive and fairer for participants, with the view to ensuring public confidence in the industry, which will only benefit the participants in the long term.

Whilst there are too many amendments throughout the year, to Board policies, guidelines and Rule amendments, to mention in this report, a perusal of the past year's QHRB racing magazine will exhibit a committed effort to the sustainability of harness racing in Queensland.

The Board's decision to implement all services and responsibilities under the Integrity department has continued to work well. Throughout the year a major review of casual pay rates and hours worked was undertaken resulting in a greater efficiency of staffing resources at meetings, which should see a cost saving to the industry.

The Board's commitment to drug-free racing has continued stronger than ever. When prohibited substances were reported, the Stewards acted swiftly to convene inquiries and take the necessary action. Vigilance in this area of racing control will continue. Throughout the year there was an increase in both pre and post race samples collected, and the Board was recently advised by the Racing Science Centre (RSC), that the ratio of prohibited substances reported, compared to the samples taken, was the lowest percentage of any code in Queensland, and the lowest level seen in harness racing, since the RSC's inception.

Industry groups were afforded the opportunity to raise concerns and issues, at times, between the Integrity Department, the Square Trotters Association and BOTRA in order to assist the industry in moving forward. This opportunity will continue to keep the communication channels and industry dialogue open.

Throughout the year The Board established a Licensing Sub Committee to consider applications, address licensing issues, review the Licensing scheme for individuals, as well as various other matters that arise. The Board has remained committed to maintaining, if not, improving the perception of the harness racing industry including the participants. The majority of persons licensed are to be commended for their co-operation with all QHRB staff and officials throughout the year. The Integrity department will continue to monitor the actions of some and will not be hesitant to take necessary action, or report to the Board, anyone that is unable to conform to the Board's policies, or the Rules in general.

The department thanks the Board, and the industry, for its continued support in pursuit of performing their duties. Whilst there are times when the tasks are difficult, they will undertaken with professionalism, efficiency and transparency at all times.

Martin Knibbs

Chairman of Stewards

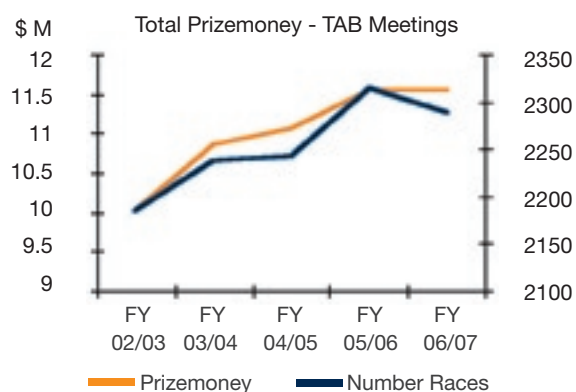
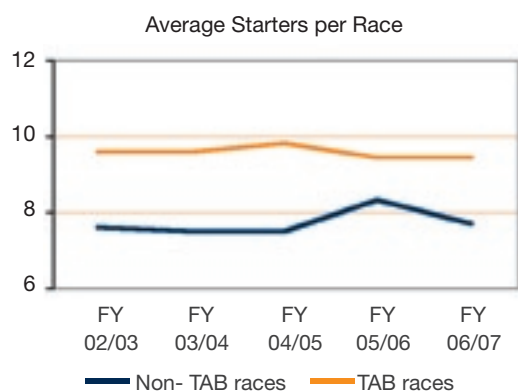
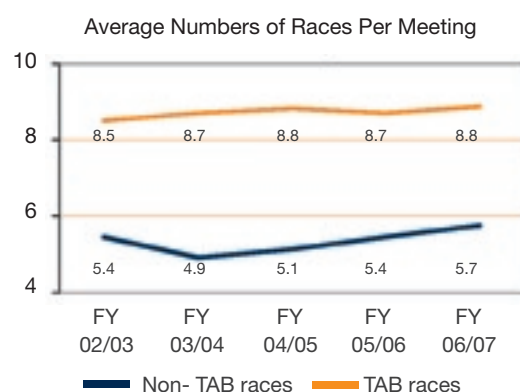
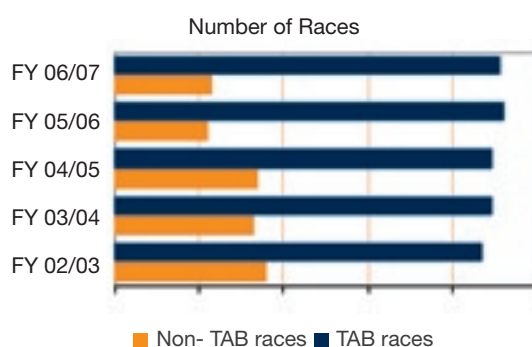
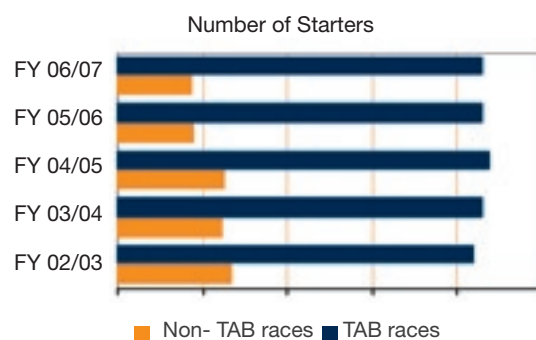
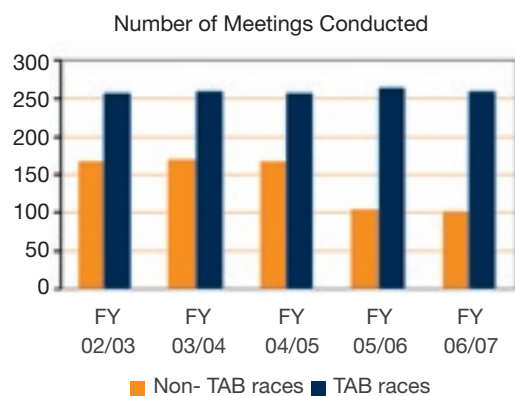


Rule	Offence	Caution	Reprimand	Fines	Suspensions	Dq
43(1)	Fail to report attendance			2		
43(2)	Fail to notify non-arrival of driver		1			
88(1)(a)	Late scratching - unacceptable reason			2		
135(1)	Late in parade ring		30	7		
135(4)	Late arrival on course			1		
149(1)	Reasonable and Permissible measures				5	
149(2)	Unacceptable drive				4	
154(1)	Fail to bring horse back to correct gait		2			
155(2)	Fail to take action to prevent galloping horse gaining ground		1	1		
156(1)	Fail to carry whip		1			
156(2)(b)	Unapproved whip use	1	47	39		
156(2)(c)	Whip outside sulky confines		4	1		
156(2)(d)	Prodding/jabbing whip action		7			
156(2)(e)	Unapproved whip use		2			
156(2)(f)	Whip horse after finish		8	4		
158(1)	Fail to fulfil engagements			1		
162(1)(a)	Jostling - Interference - Crossing		7	12	59	
162(1)(c)	Talking and/or communicating on track		2	8		
162(1)(e)	Come to mobile barrier out of position	1				
162(1)(f)	Crossing over before reaching start		1	2		
162(1)(h)	Fail to come up into position		16	7		
162(1)(l)	Out of position at the candy pole		20			
162(1)(j)	Fail to maintain position until start	1	27	5		
162(1)(n)	Take or attempt to take unfair advantage				1	
162(1)(o)	Look around unduly		1			
162(1)(u)	Abruptly reduce race speed		3			
162(1)(v)	Whip with reins			1		
162(1)(ww)	Shifting ground when not improving position		1	1		
162(1)(x)	Set an excessively slow pace			21		
162(1)(y)	Sectional times			1		
162(1)(z)	Lack of vigour in driving horse to finish			1		
163(1)(b)	Force another runner to cover more ground			8	35	
163(1)(c)	Contacting Marker Posts		67	40	1	
163(1)(d)	Force another runner to contact markers		1	11	1	
163(3)	Half Carting		15	1	1	
165(1)(a)	30cm rule			1		
165(1)(b)	Crossing when not 1m clear			1		
167(1)	Enter sprint lane		1			
167(2)	Fail to remove horse from sprint lane			3		
168(1)	Tightening, Shifting Ground, Careless	3	128	59	22	
170(1)	Drop foot from sulky foot rest		11	18		
173(2)	Betting area		1			
187(3)	Fail to comply to Stewards Directive (splash sheet)		1			
187(6)	Hinder or frustrate inquiry			1		
190(1)	Fail to present horse to race free of prohibited substances			4	2	3
209	Furnish false information			1		
210	Late driver notification			27		
223	Inadequate Safe Clothing- Shoes etc		1			
225	Inadequate preparation of horse			1		
231(1)	Abusive behaviour			1		
231(2)	Misconduct					1
239A	Negligence			1		
243	Detrimental Behaviour to Harness Racing Industry			3		2
244	Improper speech or behaviour			1		
247	Improper behaviour during steward inquiry		1	5		
269	Incorrect gear		1	1		
273(2)	Insecure/Faulty/Inferior/Poor Gear			10		
273(3)	Fail to use false belly band		6	1		
273(6)(a)	Wrong saddle numbers			6		

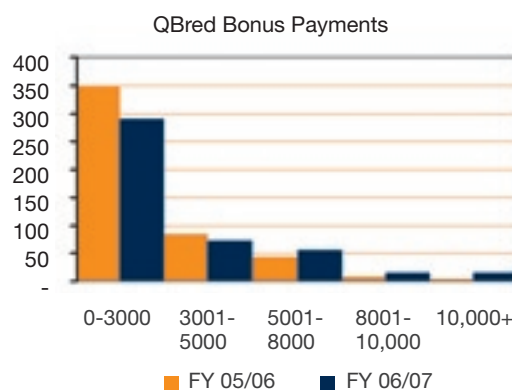
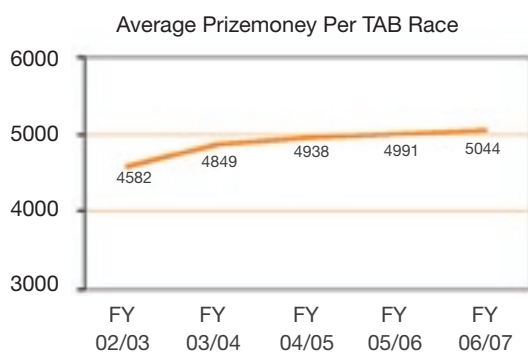
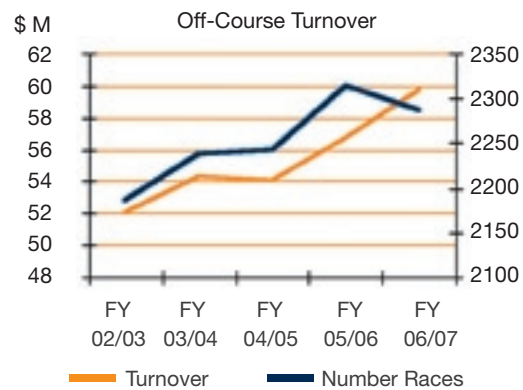
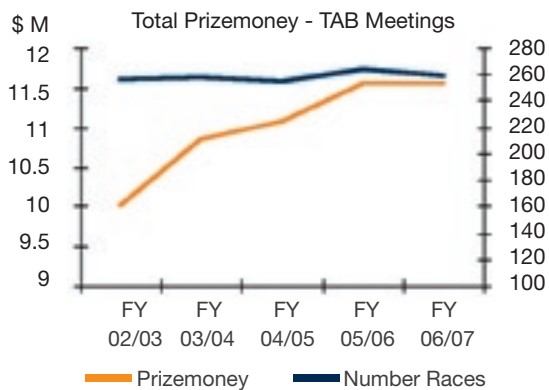
BUSINESS INDICATORS

Industry Performance Indicators

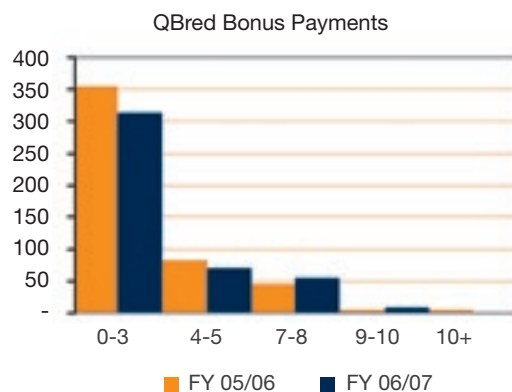
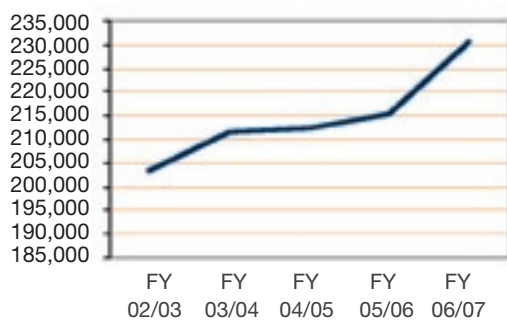
Harness Racing in Queensland has enjoyed another excellent year with good growth in many key areas as the following statistics shows:



BUSINESS INDICATORS



Average Wagering Per QLD Harness Meeting - UNITAB



LICENCEES

Licences And Registrations

<i>Licences & Registrations</i>	<i>2006/07</i>	<i>2005/06</i>	<i>2004/05</i>
Trainers	440	476	474
Drivers	337	360	380
Stable hands	259	240	200
Bookmakers	9	9	10
Bookmakers Clerks	33	33	34
Sire Registrations	36	47	37
Foalings	551	520	503
Services	536	618	539
Horses Named	418	478	463
New Zealand Imports	55	85	68
USA Exports	11	3	2
New Syndicate Formed	4	3	6
Leases	116	123	138
Transfers	814	806	759
Clubs	7	7	8



Flashing Red

STATEMENT OF AFFAIRS

The QHRB also produces a range of publications and policies, which are freely available to members of the public by contacting the Albion Park office or by visiting www.harness.org.au.

Queensland Harness Racing Board Annual Reports

QBred Information booklet

Forms under the Australian Harness Racing Rules

Publications

QLD Harness Racing is the official publication of the QHRB and is published monthly by Australian Standard bred Consultancy.

PO Box 121

BRISBANE MARKET QLD 4106

Telephone: 3875 1333

Email: ausbred@bigpond.net.au

A twelve-issue subscription is available for \$39.60 (inclusive of GST)

Policies

Allocation of Race Days and Provision of Funding

Animal Welfare Policy

Appeals Committee Policy

Awareness of Duties Policy

Betting Policy

Communication Policy

Drug and alcohol Policy

Education and Training Policy

Fees Policy

Forms Policy

Gifts and Benefits Policy

Handicapping Policy

Licensing Policy for Clubs

Licensing Policy for Individuals

Maternity Leave Policy

Policy Development Policy

Policy for Formation and Management of Clubs

Policy on Spending by Non-Proprietary Clubs

Policy on Standards Required for Licensed Venues

Policy on the Employment of Officials and Other Staff

Policy on the Way in Which Races are to be Held

Policy on Trialling and Training of Licensed Animals

Privacy Policy

Public Interest Policy

Racing at Agricultural Show Grounds Policy

Recordkeeping Policy

Sulky Fund Policy

Unpaid Forfeit List Policy

Website Policy

CORPORATE GOVERNANCE

Queensland Harness Racing Board (QHRB) is a statutory body for which the Minister for Racing is responsible. The Board is constituted under the Racing Act 2002 and consists of four members appointed by the Governor in Council on the nominations of the Minister.

Board members hold office for a term not exceeding three years, and the Governor in Council determines whether they are, if otherwise qualified, eligible for reappointment.

The Board is responsible for the control and general supervision of harness racing throughout Queensland and is charged with the responsibility of managing the code of harness racing in Queensland.

1. Committees

Risk, Audit and Corporate Governance (RACG) Committee

The main responsibilities of the Audit Committee are to:

- Oversee and advise the QHR Board on matters of accountability and internal control affecting the operation of QHRB and Clubs;
- Assist the Board to discharge its responsibility to exercise due care, diligence and skill in relation to the entity's reporting of financial information, application of accounting policies, internal control, risk management, business policies and practices and compliance with applicable laws regulations, stands and best practice guidelines;
- Review results of the annual external audit and issues raised by the Auditor-General and ensure adequate resolution;
- Provide a structured reporting line for internal audit;
- Improve the quality of internal and external financial reporting for the QHRB and the industry as a whole;

- Monitor the financial position and financial performance of the clubs and review the findings and recommendations of the QHRB Finance Manager; and
- Assist the Board in review the effectiveness of QHRB's internal control environment covering :
 - Effectiveness and efficiency of operations;
 - Reliability of financial reporting; and
 - Compliance with applicable laws and regulations

Other Committees

Budget and Remuneration Committees

Development and approval of annual budget in accordance with strategic plan of the QHRB.

Review and approval of annual staff performances practices and salary recommendations.

Licensing Committee

Review all licensing policy and fees in addition to the annual approval of license applications

2. Human Resource Management

QHRB promotes the personal and professional development of its people in order to achieve ongoing improvement in service delivery and create satisfying career paths for staff members.

Safe work practices, career development, balanced lifestyles and friendly non-discriminatory working environment are actively promoted within QHRB.

3. Occupational Health And Safety

QHRB is committed to a pro-active approach in the prevention of injury and illness at its workplace and in the carrying out its function as the controlling body of harness racing in Queensland.

Committee Membership

The table below lists the members of the Committees together with their attendance records for meetings.

Sub-committee Meetings								
	Risk, Audit & Corporate Governance		Licensing		Budget		Remuneration	
	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended
BOB LETTE	-	-	3	2	-	-	1	1
WARREN CUMMINS	-	-	3	3	3	1	1	1
KAYLENE MOORE	5	5	-	-	-	-	-	-
JANICE DAWSON	5	5	-	-	3	2	-	-

FINANCIAL STATEMENTS

Annual Financial Statements

YEAR ENDED 30 JUNE 2007

Purpose And Scope

The Queensland Harness Racing Board is constituted under the provisions of the Racing Act 2002 and is a statutory body with the meaning given in the *Financial Administration and Audit Act 1977*.

In accordance with the provisions of the Financial Administration and Audit Act and other prescribed requirements, these statements have been prepared:

- to provide an accounting for the custody and management of monies and other resources under the control of the Board, and

- to disclose the results of operations of the Board during the year and to indicate the financial position of the Board at the close of that year.

The Albion Park Joint Venture (joint venture) was established under a joint venture agreement effective from 1 July 2003. The Board's 50% interest in the joint venture has been incorporated in the Financial Statements.



Don't Fall For Me
2007 2yo Fillies QBRED FINAL

FINANCIAL STATEMENTS

Income Statement Year Ended 30 June 2007

	Notes	2007 \$	2006 \$
REVENUES			
Fees and Charges	2	1,037,722	895,168
Racing Levy Income		73,743	63,082
Interest on Investments		201,773	158,790
Other Income	3	53,952	81,625
Prizemoney Sponsorship		-	12,460
Distribution from Qld Race Product Co Ltd		18,092,546	16,949,479
Albion Park Joint Venture	12(a)	458,813	447,945
TOTAL REVENUE		19,918,549	18,608,549
EXPENSES			
Computer Operations		161,215	161,325
Depreciation	4	63,910	74,019
Depreciation – Albion Park Joint Venture	15(c)	433,696	506,115
Insurance		270,388	378,830
Salaries, Wages and Associated Costs	5	1,958,200	1,830,926
Racing Levy Expenses	6	213,931	249,125
Loss/(Gain) on Disposal of Non-Current Assets	15(a)	(4,129)	13,218
Prizemoney	7	12,135,249	12,411,979
Tote Incentive Payments to Clubs	8	892,355	868,211
Clubs Administration and Capital Payments/Meeting Fees	9	600,352	518,294
Grants to Clubs and Associated Entities	10	238,325	220,209
Other Expenses from Ordinary Activities	11	1,995,312	2,367,490
Albion Park Joint Venture	12(b)	486,569	580,197
TOTAL EXPENSES		19,445,373	20,179,938
OPERATING GAIN/(DEFICIT)		473,176	(1,571,389)

* The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

Balance Sheet Year Ended 30 June 2007

	Notes	2007 \$	2006 \$
CURRENT ASSETS			
Cash and Cash Equivalents	13	3,627,496	2,766,082
Trade and Other Receivables	14	2,074,569	1,733,259
Prepayments		82,340	123,030
TOTAL CURRENT ASSETS		5,784,405	4,622,371
NON-CURRENT ASSETS			
Plant and Equipment	15(b)(c)	18,430,079	18,849,853
TOTAL NON-CURRENT ASSETS		18,430,079	18,849,853
TOTAL ASSETS		24,214,484	23,472,224
CURRENT LIABILITIES			
Trade and Other Payables	16	1,420,379	1,185,675
Provisions	17(a)	199,721	99,571
TOTAL CURRENT LIABILITIES		1,620,100	1,285,246
NON-CURRENT LIABILITIES			
Provisions	17(b)	65,998	131,768
TOTAL NON-CURRENT LIABILITIES		65,998	131,768
TOTAL LIABILITIES		1,686,098	1,417,014
NET ASSETS		22,528,386	22,055,210
EQUITY			
Retained Profits		6,308,564	5,835,388
Asset Revaluation Reserve	22	15,844,822	15,844,822
General Reserve		375,000	375,000
TOTAL EQUITY		22,528,386	22,055,210

* The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

Cash Flow Statement Year Ended 30 June 2007

	Notes	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from Operations		21,192,024	19,262,519
Interest		199,445	176,694
GST Input Tax Credits		983,117	896,018
		22,374,586	20,335,231
Payments			
Payments to Clubs, Suppliers and Employees		(19,384,944)	(19,213,567)
GST Remitted to the ATO		(2,054,524)	(1,954,249)
		(21,439,468)	(21,167,816)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	18(a)	935,118	(832,585)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Plant and Equipment	15(a)	72,554	117,089
Payments for Purchase of Plant and Equipment	15(b) (c)	(146,258)	(213,688)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		(73,704)	(96,599)
NET (DECREASE) INCREASE IN CASH HELD		861,414	(929,184)
Cash at the Beginning of the Financial Year		2,766,082	3,695,266
Cash at the End of the Financial Year	18(b)	3,627,496	2,766,082

* The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

Statement Of Changes In Equity Year Ended 30 June 2007

	Retained Surpluses		Asset Revaluation (Note 22)		General Reserve	
	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$
Balance 1 July	5,835,388	7,406,777	15,844,822	15,844,822	375,000	375,000
Operating Surplus/ (Deficit)	473,176	(1,571,389)	-	-	-	-
BALANCE 30 JUNE	6,308,564	5,835,388	15,844,822	15,844,822	375,000	375,000

* The accompanying notes form part of these financial statements.

1. Statement of Significant Accounting Policies

The significant accounting policies which have been adopted in the preparation of these Statements are as follows:

(a) Basis of Preparation of the Accounts

General

These financial statements are a general purpose financial report and have been prepared in accordance with Financial Administration and Audit Act 1977, Financial Management Standard 1997 and Australian Equivalents to International Financial Reporting Standards (AEIFRS) for the first time. In particular, the financial statements comply with AAS 29 Financial Reporting by Government Departments, as well as the Treasurer's Minimum Reporting Requirements for the year ending 30 June 2007, and other authoritative pronouncements.

This financial report has been prepared on an accrual and going concern basis.

The financial report has been prepared under the historical cost convention except where stated.

Accounting Policies

Unless otherwise stated, all accounting policies adopted are consistent with those of the prior year.

Classification between Current and Non-Current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be paid or realised. The asset or liability is classified as current if it is expected to be turned over within the next twelve months, being the Board's operational cycle.

(b) The Reporting Entity

The financial statements include the value of all revenues, expenses, assets, liabilities and equity of the statutory body, an economic entity and joint venture interests controlled by the statutory body.

Albion Park Raceway Joint Venture

In June 2002, State Cabinet resolved that the Albion Park Raceway asset was to be transferred from ownership by the State of Queensland, to the Queensland Harness Racing Board and the Greyhound Racing Authority as tenants in common in half share. This took effect on 1st July 2003. An agreement was entered into by the parties confirming the establishment of a joint venture relationship. Accordingly, 50% of the Income Statement and Balance Sheet has been incorporated into these accounts.

Excluding the Joint Venture transactions, the Queensland Harness Racing Board would have a net operating profit of \$934,628 for the year ended 30 June 2007.

(c) Revenue Recognition

Fees and Charges

Revenue from licence and nominations charges is recognised in the Income Statement when received. Fines are recognised when due.

Product and Program Fees

Distribution from Qld Racing Product Co Ltd – Revenue is recognised in the Income Statement when due.

Sale of Assets

The profit or loss on sale of an asset is determined when control has passed to the buyer. In accounting for the sale of non-current assets, gross proceeds from the sales are included as other revenue and the written down value of the assets sold is disclosed as an operating expense.

(d) Recognition and Measurement of Property, Plant and Equipment

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of the assets provided as consideration at the date of acquisition plus any incidental costs attributable to the asset.

Actual cost is used for the initial recording of all acquisitions of assets controlled and administered by the Board.

Assets are depreciated on either the diminishing value or straight-line basis so as to allocate the net costs against revenue over the estimated economic lives of the assets. As a general policy, only assets with a value of \$2,000 or more and an estimated useful life of more than one year are capitalised. Items under this value are charged as an expense in the year of purchase. In previous years assets with a value of \$500 or more were capitalised.

Revaluations

Land, buildings, infrastructure and major plant and equipment are measured at fair value in accordance with AASB 116 Property, Plant and Equipment and Queensland Treasury's Non Current Asset Accounting Guidelines for the Queensland Public Sector. All other assets including plant and equipment, other than major plant and equipment, are measured at cost.

Any revaluation increment arising on the revaluation of an asset is credit to the asset revaluation reserve of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation reserve relating to that class.

Only those assets, the total values of which are material compared to the value of the class of assets to which they belong, are comprehensively revalued.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Revaluations are conducted every 5 years with interim revaluations using appropriate indices on an annual basis where there has been a material variation in the index. Assets for which no appropriate indices can be found are revalued every 3 years. A comprehensive independent valuation of the assets was last undertaken as at 30 June 2005 using 'fair value' principles.

Repairs and Maintenance

Routine maintenance, repair costs and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated.

Impairment of Non-Current Assets

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the management determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Income Statement, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation reserve of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Operating Leases

Lease payments for operating leases are recognised as an expense in the years in which they are incurred.

Recoverable Amounts

The carrying amounts of non-current assets recorded at cost are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of the asset exceeds the recoverable amount, the asset is written down to the lower amount with the write down expensed through the Statement of Financial Performance.

(e) Depreciation and Amortisation of property, plant and equipment

Depreciation on buildings, infrastructure, equipment and motor vehicles is calculated on either the straight line method or the diminishing value method so as to write off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life.

The Depreciation rates used for each class of depreciable assets are:

Class	Useful Life
Broadcast Equipment	25.00%
Computer Hardware	33.33% - 40.00%
Plant & Equipment	4.00% - 33.33%
Motor Vehicles	22.50%
Freeze Branding Equipment	5.00%
Albion Park Joint Venture – Buildings & Improvements	3.00% - 25.00%
Albion Park Joint Venture – Plant & Equipment	10.00% - 20.00%

(f) Cash and Cash Equivalents and Other Financial Assets

For the purpose of the Balance Sheet, cash and cash equivalents and other financial assets include all cash and cheques receipted but not banked as well as deposits at call with financial institutions. It also includes liquid investments with short periods to maturity that are readily convertible to cash on hand at the Board's option and that are subject to low risk of changes in value.

(g) Trade and Other Receivables

Trade and other receivables are recognised at the amount due at the time of the sale or service provision. The collectibility of receivables is assessed at balance date with adequate provision made for doubtful debts and all known bad debts written-off. Receivables include loans and advances which are recognised at their face value.

(h) Trade and Other Payables

Trade and other payables are recognised for amounts payable in the future for goods and services received, whether or not billed to the Board. Creditors are generally unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

(i) Employees' Entitlements

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include annual leave and long service leave. Liabilities arising in respect of annual leave and long service leave expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

Long service leave expected to be paid later than one year is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The Board also contributes to various accumulating Employee Superannuation Plans.

Executive Remuneration

The remuneration disclosed is all remuneration received or receivable, directly or indirectly, from the entity or any related party in connection with the management of the affairs of the entity, whether as an executive or otherwise. For this purpose, remuneration includes:

- Wages and salaries;
- Accrued leave (that is the increase/decrease in the amount of annual and long service leave owed to an executive, inclusive of any increase in the value of leave balances as a result of salary rate increase or the like);
- Performance pay received or due and receivable in relation to the financial year, provided that a liability exists (namely a determination has been made prior to the financial statement being signed), and can be reliably measured even though the payment may not have been made during the financial year;
- Accrued superannuation (being the value of all employer superannuation contributions during the financial year, both paid and payable as at 30 June);
- Costs of motor vehicles, such as fuel costs, registration/insurance, and repairs incurred by the statutory body, both paid and payable as at 30 June, net of any amounts subsequently reimbursed by the executives;
- Allowances (which are included in remuneration agreements of executives, such as airfares or other travel costs paid to/for executives whose homes are situated in a location other than the location they work in); and
- Fringe benefits tax included in remuneration agreements.

(j) Comparative Figures

Where changes have occurred in the presentation of the Financial Statement, prior year figures have been reclassified for comparative purposes.

(k) Segment Reporting

The Board operates predominantly in one industry, being that of Harness Racing in Queensland.

(l) Taxation

The activities of Queensland Harness Racing Board are exempt from Commonwealth taxation except for Fringe Benefits Tax (FBT) and Goods & Services Tax (GST).

Revenues, expenses, assets and liabilities are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the acquisition of the asset or as part of an item of the expense.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED 30 JUNE 2007

2. Fees and Charges

	2007 \$	2006 \$
Licence Fees	283,067	247,762
Clearance and Transfer Fees	64,930	50,355
Registration Fees (inc DNA)	119,617	102,083
Fines and Late Fees	42,700	40,285
Foals Notification and Service Certificates	83,510	54,130
Scratching Fee	1,805	-
Appeal Fee	793	-
QBred Nomination Fees	441,300	400,553
	1,037,722	895,168

3. Other Income

	2007 \$	2006 \$
Promotional Income – Broadcast Van	16,727	25,200
Promotional Income – Functions	-	17,086
Publications Income	-	346
Club Management Income	1,000	-
Sundry	36,225	38,993
	53,952	81,625

4. Depreciation of Non-current Assets

	2007 \$	2006 \$
Broadcast Equipment	7,937	9,311
Computer Hardware	12,416	10,480
Office Furniture and Equipment	10,217	10,057
Motor Vehicles	33,169	44,000
Freeze Branding Equipment	171	171
	63,910	74,019

5. Employment Costs

	2007 \$	2006 \$
Salaries, Wages and Associated Costs	1,677,147	1,569,998
Superannuation Contributions	134,484	148,683
Board Members Fees and Expenses	57,192	44,873
Relocation Expenses	21,671	-
Payroll and Fringe Benefits Tax	67,706	67,372
	1,958,200	1,830,926

The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis is:

	2007	2006
Number of Employees	30	26

NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED 30 JUNE 2007

Key Management Personnel Compensation

	Short-Term Benefits			Long-Term Benefits	
	Salaries & Fees	Superannuation	Non-Cash Benefits	Superannuation	Total
2007					
Total Compensation	121,094	10,898	12,666	-	144,258
2006					
Total Compensation	114,189	10,277	35,000	-	159,466

6. Racing Levy Expenses

	2007 \$	2006 \$
Australian Harness Racing Council Levies	113,166	112,548
Photo Finish Clubs	54,627	62,694
Sulky Claims	46,138	73,883
	213,931	249,125

7. Prizemoney

	2007 \$	2006 \$
General Cash Prizemoney	9,905,694	10,257,779
QBred Triad/Classic Prizemoney	814,610	807,250
QBred Bonus Payments	1,370,250	1,279,950
QBred Mares Incentive Scheme	-	39,700
QBred Breeders Certificate	44,695	27,300
	12,135,249	12,411,979

8. Tote Incentive Payments to Clubs

	2007 \$	2006 \$
Albion Park Harness Racing Club	371,048	345,262
Gold Coast Harness Racing Club	224,844	237,123
Mackay Harness Racing Club	7,926	10,617
Metropolitan Harness Racing Club	196,076	183,524
North Queensland Harness Racing Club	-	6,076
Redcliffe Peninsula Harness Racing & Sporting Club	79,094	74,261
Rockhampton Harness Racing Club	9,155	11,571
Plus Net Tote Communication Costs	4,212	(223)
	892,355	868,211

9. Clubs Administration and Capital Payments/Meeting Fees

	2007 \$	2006 \$
Albion Park Harness Racing Club	230,500	131,919
Gold Coast Harness Racing Club	160,000	170,496
Mackay Harness Racing Club	32,186	13,695
North Queensland Harness Racing Club	-	13,000
Redcliffe Peninsula Harness Racing & Sporting Club	136,400	176,184
Rockhampton Harness Racing Club	41,266	13,000
	600,352	518,294

NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED 30 JUNE 2007

10. Grants

	2007 \$	2006 \$
Albion Park Harness Racing Club	110,197	204,209
Gold Coast Harness Racing Club	20,000	16,000
Metropolitan Harness Racing Club	12,494	-
Redcliffe Peninsula Harness Racing & Sporting Club	95,634	-
	238,325	220,209

11. Other Expenses

	2007 \$	2006 \$
Audit Fees	18,650	19,750
Broadcast Expense	439,184	304,299
Consultancy Fees	25,513	124,729
Drivers Fees	386,426	605,625
Freeze Branding and DNA Expense	1,425	-
Integrity Costs	441,076	486,900
Legal Fees	23,451	137,442
Postage, Printing and Stationery	46,333	46,713
Promotion Expenses	394,474	334,175
Rent, Cleaning and Office Expenses	58,546	64,153
Service Fees	3,892	54,796
Sundry Expenses	84,520	86,550
Telephone and Facsimile	45,861	54,069
Travel and Accommodation Expenses	25,961	48,289
	1,995,312	2,367,490

12. Albion Park Joint Venture

	2007 \$	2006 \$
(a) Revenues		
Property Rentals	415,901	404,846
Advertising Rentals	13,111	12,639
Interest	4,918	8,963
Other Income	24,883	20,395
Profit/(Loss) on Disposal of Fixed Assets	-	1,102
	458,813	447,945
(b) Expenditure		
Repairs and Maintenance	147,207	175,881
Salaries, Wages and Associated Costs	251,372	252,723
Administration	87,990	151,593
	486,569	580,197

13. Cash and Cash Equivalents

	2007 \$	2006 \$
Cash on Hand	600	550
Cash at Bank	212,519	218,648
Cash at Bank – Albion Park Joint Venture	(1,880)	29,454
Cash on Deposit	3,307,318	2,462,862
Cash on Deposit – Albion Park Joint Venture	108,939	54,568
	3,627,496	2,766,082

14. Trade and Other Receivables

	2007 \$	2006 \$
Current		
Trade Debtors	338,576	110,379
Less Provision Doubtful Debts	(664)	(7,346)
	337,912	103,033
Accrued Income	1,713,746	1,588,925
Albion Park Joint Venture	22,911	41,301
	2,074,569	1,733,259

15. Plant and Equipment - Queensland Harness Racing Board

	2007 \$	2006 \$
(a) Profit/(Loss) on Disposal of Assets		
Proceeds from Disposal of Assets	72,555	117,089
Less Carrying Value of Assets Disposed	(68,426)	(130,307)
	4,129	(13,218)
(b) Property, Plant and Equipment - Board Broadcast Equipment		
At Cost	178,836	178,836
Accumulated Depreciation	(164,602)	(156,665)
	14,234	22,171
Computer Hardware		
At Cost	95,217	93,447
Accumulated Depreciation	(79,192)	(66,776)
	16,025	26,671
Plant and Equipment		
At Cost	230,392	228,060
Accumulated Depreciation	(194,723)	(184,487)
	35,669	43,573
Motor Vehicles		
At Cost	176,948	134,683
Accumulated Depreciation	(25,303)	(21,578)
	151,645	113,105
Freeze Branding Equipment		
At Cost	2,610	2,610
Accumulated Depreciation	(2,385)	(2,214)
	225	396
Total Plant and Equipment		
Total At Cost	684,003	637,636
Accumulated Depreciation	(466,205)	(431,720)
Total Written Down Amount	217,798	205,916

NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED 30 JUNE 2007

Reconciliations

Reconciliations of the carrying amounts of each class of Property, Plant and Equipments at the beginning and end of the current financial year is as below:

Asset Name	Opening Amount	Additions	Disposals	Depreciation Amount	2007 Net Book Value
Broadcast Equipment	22,171	-	-	(7,937)	14,234
Plant and Equipment	43,573	2,314	-	(10,217)	35,669
Motor Vehicles	113,105	140,134	(97,869)	(3,725)	151,645
Computer Equipment	26,671	1,770	-	(12,416)	16,025
Freeze Branding Equipment	396	-	-	(171)	225
	205,916	144,218	(97,869)	(34,467)	217,798

Independent valuations of land, buildings and major plant and equipment were performed at 30 June 2005 by Auto Group Commercial (Qld) Pty Ltd using 'fair value' principles.

Land values are based on current market values. All other assets have been adjusted to comply with Queensland Treasury Non-current Asset Accounting Guidelines for the Public Sector using the depreciated current replacement cost method. This resulted in an adjustment to the base gross value and associated accumulated depreciation for each asset.

	2007 \$	2006 \$
15(c) Plant and Equipment – Albion Park Joint Venture		
Land		
At Fair Value	12,640,000	12,640,000
	12,640,000	12,640,000
Buildings and Improvements		
At Fair Value	17,278,255	17,278,255
At Cost	5,181	5,181
Accumulated Depreciation	(11,827,199)	(11,420,694)
	5,456,237	5,862,742
Plant and Equipment		
At Fair Value	148,738	156,019
At Cost	104,175	94,854
Accumulated Depreciation	(136,869)	(109,678)
	116,044	141,195
Total Plant and Equipment		
Total At Cost	30,176,349	30,174,309
Accumulated Depreciation	(11,964,068)	(11,530,372)
Total Written Down Amount	18,212,281	18,643,937

Reconciliations

Reconciliations of the carrying amounts of each class of Property, Plant and Equipments at the beginning and end of the current financial year is as below:

Asset Name	Opening Amount	Additions	Disposals	Depreciation Amount	2007 Net Book Value
Land	12,640,000	-	-	-	12,640,000
Buildings & Improvements	5,862,742	-	-	406,505	5,456,237
Plant & Equipment	141,195	2,040	-	27,191	116,044
	18,643,937	2,040	-	433,696	18,212,281

16. Trade and Other Payables

	2007 \$	2006 \$
Trade Creditors and Accrued Expenses	1,344,852	1,112,018
Albion Park Joint Venture	75,527	73,657
	1,420,379	1,185,675

NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED 30 JUNE 2007

17. Provisions

	2007 \$	2006 \$
(a) Current Employee Entitlements		
- Annual Leave		
Balance 1 July	99,571	152,814
Add Provision for Year	14,377	(51,187)
Albion Park Joint Venture	3,159	(2,056)
BALANCE OF 30 JUNE	117,107	99,571
- Long Service Leave		
Balance 1 July		
Add Provision for Year	70,149	-
Albion Park Joint Venture	12,465	-
BALANCE 30 JUNE	82,614	-
TOTAL CURRENT PROVISIONS	199,721	99,571
(b) Non-Current Employee Entitlements		
- Long Service Leave		
Balance 1 July	131,768	153,447
Add Provision for Year	(67,896)	(26,666)
Albion Park Joint Venture	2,126	4,987
BALANCE 30 JUNE	65,998	131,768

18. Statement of Cash Flows

	2007 \$	2006 \$
(a) Reconciliation of Operating Result to Net Cash used in Operating Activities		
Net Surplus (Deficit)	473,176	(1,571,389)
Depreciation	63,910	74,019
Depreciation – Albion Park Joint Venture	433,696	506,115
(Profit)/Loss on Sale of Plant and Equipment	(4,129)	13,218
Profit/(Loss) on Sale of Plant and Equipment – Albion Park Joint Venture		
Unrealised Receipt from Asset Sale – Albion Park Joint Venture		
Changes in Assets and Liabilities		
Decrease (Increase) in Debtors and Accrued Income	(341,309)	(270,219)
Decrease (Increase) in Prepaid Expense	40,691	58,883
Increase (Decrease) in Creditors and Accrued Expense	234,704	431,620
Increase (Decrease) in Provisions	34,379	(74,922)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	935,118	(832,585)
(b) Reconciliation of Cash		
Cash at Bank	213,119	219,198
Cash at Bank – Albion Park Joint Venture	(1,880)	29,454
Cash on Deposit	3,307,318	2,462,862
Cash on Deposit – Albion Park Joint Venture	108,939	54,568
	3,627,496	2,766,082

NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED 30 JUNE 2007

19. Financial Instruments - Terms, Conditions And Accounting Policies

Financial Instruments	Related Financial Statement Notes	Accounting Policies	Terms & Conditions
FINANCIAL ASSETS			
Trade and Other Receivables	14	<p>Recognition – upon delivery of goods, notification of interest received or provision of services to customers.</p> <p>Measurement – recorded at nominal amounts due less any provision for doubtful debts. Provision for doubtful debts is recognised when collection of the full amount is no longer probable.</p>	Sales Invoices are on 30-day terms. Other receivables are normally settled within agreed terms for payment.
Cash on Deposit	13	<p>Recognition – upon deposit of funds transferred from the bank to the financial institution.</p>	Bank Bills & Certificates of Deposit are sold at a yield discounted to face value according to dictated market yields at the time of investment.
	18	<p>Measurement – recorded at carrying amounts transferred by the QHRB.</p>	Cash Management Accounts – Interest is calculated daily and based on relevant market yields.
FINANCIAL LIABILITIES			
Trade and Other Payables	16	<p>Recognition – upon receipt of goods or services received.</p> <p>Measurement – Trade creditors are recorded at amounts based on agreed purchase/contract costs.</p>	The amounts are unsecured and normally settled within agreed terms of payment.

19. Financial Instruments (continued) Interest Rate Risk

The Queensland Harness Racing Board is exposed to interest rate risk through its investments in Term Deposits and Cash Management Accounts. The effective weighted average interest rates on financial assets and financial liabilities during the year were as follows:

Financial Instruments	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing In:						Non Interest Bearing		Carrying Amount as per Statement of Financial Position	
	2007 %	2006 %	2007 %	2006 %	<=1yr 2005 \$'000s	<=1yr 2003 \$'000	1-5yrs 2005 \$'000s	1-5yrs 2003 \$'000s	>5yrs 2005 \$'000s	>5yrs 2003 \$'000s	2007 \$'000s	2006 \$'000s	2007 \$'000s	2006 \$'000s
FINANCIAL ASSETS														
Cash at Bank	2.41	3.45	211	249							-	-	211	249
Trade & Other Receivables	-	-	-	-							2,075	1,733	1,999	1,733
Term Deposit	6.24	5.84	2,500	1,500							-	-	2,500	1,500
Cash Management Accounts	5.96	5.65	916	1,017							-	-	916	1,017
FINANCIAL LIABILITIES														
Trade & Other Payables	-	-	-	-							1,420	1,186	1,351	1,186

Credit Risk

The exposure to credit risk from investments in Term Deposits is minimal, due to the short periods of time invested (30-90 days). At balance date, the Board held investments with financial institutions that have a short term rating range of AA minus to A2.

The maximum exposure to credit risk at balance date in respect of receivables, excluding the value of any collateral or other security is the carrying amount, net of any provision for doubtful debts, as disclosed in the Balance Sheet.

Net Fair Value

The carrying amounts of financial assets and financial liabilities approximates net fair value.

NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED 30 JUNE 2007

20. Board Member Fees

Board Members are paid at the category level of C1 of the Fees for Part-Time Chairs and Members of Government Boards, administered by the Department of Industrial Relations. Plus reimbursement of expenses - the amounts paid to Board Members is disclosed in Note 5.

Board Members who held office during the financial year were:

Mr Robert Lette (Chairman)
Mr Warren Cummins (Deputy Chairman)
Mrs Kaylene Moore
Ms Janice Dawson

The number of Board Members are shown below in the following income bands

	2007 \$	2006 \$
\$0 - \$9,999	2	2
\$10,000 - \$19,999	1	1
\$20,000 - \$29,999	1	1

21. Commitments

Term contracts held:	Total Commitment	Expires
Industry Publications	103,314	31/08/08
Television Coverage	999,208	16/08/09

22. Asset Revaluation Reserve by Class

(a) Queensland Harness Racing Board

	LAND \$	BUILDINGS & IMPROVEMENTS \$	PLANT & EQUIPMENT \$	TOTAL \$
Balance 1 July	-	-	25,430	25,430
Revaluation Increments				
Revaluation Decrements				
Impairment Losses through Equity				
Impairment Reversals through Equity				
BALANCE 30 JUNE	-	-	25,430	25,430

(b) Albion Park Joint Venture

	LAND \$	BUILDINGS & IMPROVEMENTS \$	PLANT & EQUIPMENT \$	TOTAL \$
Balance 1 July	7,022,500	8,718,240	78,652	15,819,392
Revaluation Increments				
Revaluation Decrements				
Impairment Losses through Equity				
Impairment Reversals through Equity				
BALANCE 30 JUNE	7,022,500	8,718,240	78,652	15,819,392

(c) Total

	LAND \$	BUILDINGS & IMPROVEMENTS \$	PLANT & EQUIPMENT \$	TOTAL \$
Balance 1 July	7,022,500	8,718,240	104,082	15,844,822
Revaluation Increments				
Revaluation Decrements				
Impairment Losses through Equity				
Impairment Reversals through Equity				
BALANCE 30 JUNE	7,022,500	8,718,240	104,082	15,844,822

The asset revaluation reserve represents the net effect of upwards and downwards revaluations of assets to fair value.

NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED 30 JUNE 2007

23. Joint Venture

Queensland Harness Racing Board has a 50% interest in the Albion Park Joint Venture. The Joint Venture operates to provide the facilities for harness racing and greyhound racing controlled by these bodies.

The voting power held by Queensland Harness Racing Board is 50%.

	2007 \$	2006 \$
(a) Carrying Amount of Investment in Joint Venture Entity:		
Balance at Beginning of Financial Year		
Share of Joint Venture's Profit	99,571	152,814
BALANCE AT END OF FINANCIAL YEAR	117,107	99,571
(b) Share of Joint Venture Entity's Results and Financial Position		
Current Assets		
Non-Current Assets	70,149	-
Total Assets	12,465	-
CURRENT LIABILITIES		
Non-Current Liabilities		
Total Liabilities		
Revenues	131,768	153,447
Expenses	(67,896)	(26,666)
Profit/(Loss)	2,126	4,987

24. Post Balance Day Events

The outbreak of the Equine Influenza virus on Saturday the 25 August 2007 halted all racing and training in Queensland for a significant period. Horse movement was restricted by the Department of Primary Industries to minimise the risk of spreading the virus.

Be Good Johnny



Slipslide



All Promises
2006 Australian Oaks

These general purpose financial statements have been prepared pursuant to section 40(1) of the Financial Administration and Audit Act 1977 (the Act), and other prescribed requirement.

In accordance with section 40(3) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied within all material respects; and
- (b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Queensland Harness Racing Board for the financial year ended 30 June 2007 and of the financial position of the department at the end of the year.

Robert Lette
Chairman

Tracey Harris
Manager, Finance & Administration

Dated at Brisbane this 25th day of September 2007.



Independent Audit Report

To the Board of Directors of Queensland Harness Racing Board

Matters relating to the electronic presentation of the audited financial statements.

This audit report relates to the financial report of the Queensland Harness Racing Board for the financial year ended 30 June 2007 presented on the Queensland Harness Racing Board's web site (Harness Racing – Queensland) or on other electronic media including CD-Rom. The Board is responsible for the integrity of all electronic media on which the Queensland Harness Racing Board publishes the audited financial report. The audit report refers only to the financial statements identified below and does not include a review of the integrity of any electronic media or provide an opinion on any other information, which may have been hyperlinked to/from, the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements, available from the Queensland Harness Racing Board, to confirm the information included in the audited financial report presented on electronic media.

Scope

The Financial Report

The financial report of the Queensland Harness Racing Board consists of the income statement, balance sheet, statement of changes in equity, statement of cash flows, notes to the financial statements and the

certificate given by the Board and officer responsible for the financial administration of the Queensland Harness Racing Board, for the year ended 30 June 2007.

The Board's Responsibility

The Board is responsible for the preparation and true and fair presentation of the financial statements, the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

As required by law, an independent audit was conducted in accordance with QAO Auditing Standards to enable me to provide an independent opinion whether in all material respects the financial statements present fairly, in accordance with the prescribed requirements, including any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland.

Audit procedures included:

- ▮ examining information on a test/sample basis to provide evidence supporting the amounts and disclosures in the financial statements;
- ▮ assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Board;
- ▮ obtaining written confirmation regarding the material representations made in conjunction with the audit; and
- ▮ reviewing the overall presentation of information in the financial statements.

Independence

The Financial Administration and Audit Act 1977 promotes the independence of the Auditor-General and QAO authorised auditors. The Auditor-General is the auditor of all public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which powers are to be exercised.

The Auditor-General has, for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters, which in the Auditor-General's opinion are significant.

Audit Opinion

In accordance with section 46G of the Financial Administration and Audit Act 1977:

- (a) I have received all the information and explanations which I have required; and
- (b) In my opinion:
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the statements have been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards, of the transactions of Queensland Harness Racing Board for the financial year 1 July 2006 to 30 June 2007 and of the financial position as at the end of that year.

BDO Kendalls
D P Wright Brisbane
(as Delegate of the Auditor-General of Queensland)

Dated at Brisbane this 25th day of ... September 2007.



Queensland Harness Racing Board

www.harness.org.au/qld

